



Douglas County Internal Audit

April 25, 2014

Douglas County Board of Commissioners
1819 Farnam Street, Suite LC2
Omaha, NE 68183

Attention: Mary Ann Borgeson, Mike Boyle, Clare Duda, Marc Kraft, PJ Morgan,
Chris Rodgers and Pam Tusa

Thomas F. Cavanaugh, Douglas County Clerk/Comptroller
1819 Harney St.
Omaha, NE 68183

Dear Commissioners and Mr. Cavanaugh:

I have completed an audit of Douglas County Oracle user access. The purpose of the audit was to assess the adequacy and effectiveness of the control processes used to ensure that access to Oracle user applications are properly granted and continually assessed. The audit revealed that, overall, controls were adequately designed and worked effectively. However, there was an exception related to the access of users not directly employed by the County and when there are job movements within the County.

Background

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Oracle is the computer system used to generate financial information for the County. Below are the details related to tests of the controls for Oracle user access.

Objectives

The objectives of the audit were to determine that:

- Oracle user access is authorized and approved by appropriate personnel.
- There are appropriate controls in place to ensure that Oracle users' access rights are restricted to the functions that are essential to their job description and that the access does not create a segregation of duty conflict.
- Oracle user access is periodically assessed to determine that current access is appropriate.

Scope and Methodology

The audit included a judgmentally chosen review of ten additions and fifteen terminations from July 1, 2013 through April 7, 2014. The sample was chosen using the current and prior active Oracle user listings. The review verified that the access requested was approved by the appropriate managers and that the access granted was the access authorized. The generation of appropriate termination notices and removal of access was also verified.

The periodic assessment of user access was reviewed to determine how user access was evaluated. Additionally, the duties of all Douglas County employees with the ability to update data within Oracle were analyzed to determine if there were any segregation of duty conflicts. Mitigating controls where possible segregation of duty conflicts existed were identified and confirmed to be in place and operating as described. Lastly, all active users were reviewed to determine that they were current employees based upon a listing provided by Human Resources. User access for those not directly employed by the County was assessed to determine if their access was appropriate.

Findings

User Assessment Analysis

Criteria: Access to accounting and financial records should only be provided when needed as a regular part of a job function or to complete a specific task.

Condition: There were six Oracle users identified having access that was no longer needed. Five of the identified users were not directly employed by the County. One had changed job functions within a department. The access that had been provided the users was no longer needed because they were no longer employed by the related organization, moved to a different job function or the access was needed for only a limited period of time.

Effect: The users noted above had access that provided them abilities to enter or change limited types of data in Oracle. It is unlikely their access and current status could be used to convert assets to personal use or access sensitive data and avoid detection. However, this may not always be the case if unneeded access is not prevented or detected in a timely manner.

Cause: The processes currently in place are not adequately designed to provide assurance that the access for non-employee users or users transferring to different job functions would be changed accordingly or that inappropriate access would be detected in a timely fashion.

Recommendation: County Departments provide the Human Resources Department (HR) an Employee Information Change Form when employees change job status or move to a new organization within the same or to a different department. HR should forward this information to the person monitoring Oracle access. An assessment should then be performed to determine if their access is still appropriate. Additionally, a similar process should be established and communicated to all entities that have employees or consultant that use Oracle. Any changes to employee status or existing job functions should result in a notification. This should include access changes made for DOT.Comm personnel and consultants as well.

To further enhance control, consider automatically end dating functions that are not used within the last six months. This action should be limited to only those responsibilities that can be used to create or change business transaction data within Oracle. Lastly, the current assessment process should include the use of other system data to enhance further analysis. This information should include but not necessarily be limited to:

- New users
- Changes to users' access from the prior period
- Users who are not employees
- Users who have recently been terminated
- Users that have changed job functions

Management's Response: Management concurs and will continue to work with DOT.Comm to refine the automated responsibility review process. DOT.Comm and HR are working to set up a meeting to discuss onboarding and offboarding personnel.

Audit Standards

Internal Audit conducted this audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

Internal Audit has reviewed this information with the Chief Deputy Douglas County Clerk. Internal Audit appreciates the excellent cooperation provided by HR, DOT.Comm, the Clerk/Comptroller's office and various other members of County management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.

Sincerely,

Mike Dwornicki
Internal Audit Director

cc: Paul Tomoser
Joni Davis
Trent Demulling
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